

GENERAL SERVICES ADMINISTRATION
WASHINGTON, D. C. 20405

March 10, 1966

GSA BULLETIN FPMR NO. A-9
GENERAL

TO : Heads of Federal Agencies

SUBJECT: Automatic data processing equipment (ADPE) procurement

1. Purpose. This bulletin outlines the current steps that may be taken by Federal agencies to implement the provisions of a recent Comptroller General's decision on ADPE rentals.
2. Background. During the past few years the practice of purchase and leaseback techniques to reduce ADPE rental has grown tremendously among the non-Federal users. In reply to a GSA submission, the Comptroller General released on March 1, 1966, a decision permitting, under certain circumstances, the use of a similar technique by Federal agencies. The Comptroller General's decision is attached as attachment A.
3. Suggested agency actions. The General Services Administration will provide, in the near future, guidance with respect to the implementation of this new program. During the interval, two large Federal agencies known to have done preliminary work in this area will initiate pilot procurement actions which will serve to perfect the procedures to be followed. In the meantime, as a prelude to implementation, agencies should (a) review the decision to lease punch card unit record equipment and computers to identify those which are expected to remain on a lease status for longer than six months, (b) secure from the present lessor the purchase price of each piece of equipment intended to be retained on lease, (c) identify as many additional leasing companies as possible in addition to those listed on Attachment B, Partial List of Leasing Companies, and (d) prepare lists of equipment by type and serial number showing any additional features installed on the unit as well as the physical location, street address, city, State, and Zip Code. These four steps will facilitate subsequent discussions and actions with leasing companies as described in forthcoming material from GSA.

Attachment

4. Rental reduction program. This rental reduction program offers the Federal agencies an unprecedented opportunity to reduce ADPE rentals without jeopardizing essential services and will be an important contribution to the President's Cost Reduction Program. At the same time it will furnish a needed element of competition in an important element of Government procurement now running in excess of \$250 million a year.

5. Expiration date. This bulletin will expire on June 30, 1966.


W. P. TURPIN
Assistant Administrator for
Finance and Administration